GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

STARRED QUESTION NO:694
ANSWERED ON:15.05.2000
FUNDS FOR DOT EXPANSION
VENKATA KRISHNAM RAJU UPPALAPATI;Y.S. VIVEKANANDA REDDY

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Department of Telecommunications has projected to arrange finances by borrowing to meet its target of expansion programme during 2000-2001 and for the Ninth Five Year Plan;

(b) if so, the details thereof and the reasons therefor;

(c) the details of mode of borrowings from the market, either by floating bonds or any other means;

(d) whether in 1998, the DOT had managed its entire capital outlay including network expansion without resorting to any external borrowing;

(e) if so, the details of the plans that are being considered for expansion during 2000-2001;

(f) whether the Government propose to get this expansion programme supervised by TRAI;

(g) if so, the details thereof; and

(h) the efforts made by the Government to have more revenue realisation and to effect economy in the establishment?

Answer

MINISTER OF COMMUNICATIONS (SHRI RAM VILAS PASWAN)

(a) to (h): A statement is laid on the Table of the House.

STATEMENT IN RESPECT OF PARTS (a) TO (h) OFOK SABHA STARRED QUESTION NO. 694 FOR 15TH MAY 20 REGARDINGG FUNDS FOR DOT EXPANSION.

(a) & (b) : To finance the shortfall in resources to fund the Plan Outlay of 2000-2001 of DTS (excluding MTNL), market borrowings (Bonds) to the extent of Rs.2152 crores have been approved out of Plan Outlay ofRs.16,000 crores. For the Ninth Five Year Plan market borrowings (Bonds) component of the funding plan is expected to be Rs.14304 crores out of a need based outlay of Rs.66193 crores However, the borrowing component may increase if further rebalancing of traiff takes place, which will reduce internal generation.

The reason for borrowing is the shortfall in internal generation of resources to finance the increasing size of the Plan to keep up with developmental targets.

(c) The mode of borrowing is by floating of bonds through MTNL .

(d) During the years 1997-98 and 1998-99 no market borrowings (Bonds) were resorted to by DoT.

(e) For the Plan Outlay of Rs.16,000 crores the main physical targets set for the year 2000-2001 are as under:

(A) Local Telephone System

(i) Net switching capacity(lakh lines) 67

(ii) DELs (lakh lines) 53.50

(B) LD Switching system

Tax capacity (lakh lines) 4

(C) LD Transmission System

(i) Microwave systems(RKMs) 10,000

(ii) OFC System(RKMs) 1,00,000

(iii) MCPC VSAT 164

(iv) IDR 25

(v) VPTs 1,00,000

(f) &(g) TRAI`s mandate is limited to tariff setting and other regulatory functions and they have no role in supervising expansion programme of DTS.

(h) The Department of Telecom Services has been constantlyexpanding and upgrading its network to augment its revenues. The pace of expansion has been growing and in the current year we propose to add 53.5 lakh working lines and also strengthen our access and the long distance network to increase the capacity and efficiency of the system. The Department has plans to progressively introduce Value Added Services like Internet, Cellular Mobile Services etc., to further augment its revenues. On the other hand, all necessary measures to economise on expenditure are being taken. The per line maintenance expenditure has been kept under check during the last five years despite substantial increase in the wages and the prices of products. The staff available per thousand lines is being brought down constantly which at present stands at about 20 persons per 1000 lines as against about 57 in 1992-93.